

Newspaper:

Providence Journal

Governor

March 1 2007

gives up on furlough plan

Facing opposition, Governor Carcieri says he will instead suggest a pay cut for state workers.

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PROVIDENCE — Governor Carcieri backed down yesterday from a controversial plan to shut down state government for several days, sending employees home without pay.

In a letter to legislative leaders late yesterday, Carcieri said the plan to save \$9.6 million through furlough days had become unrealistic because several branches of state government refused to go along.

Now in order to balance the budget, the governor is suggesting an across-the-board pay cut

for all state employees — 1 percent this year and three fourths of a percent next fiscal year — although details of that proposal have yet to be worked out.

In his letter, Carcieri said that rather than support his furlough plan, a number of public officials announced their “unwillingness to participate.” He then said they include Supreme Court Chief Justice Frank J. Williams, Lt. Gov. Elizabeth H. Roberts and Attorney General Patrick C. Lynch.

While not mentioned in the letter, University of Rhode Island

President Robert L. Carothers also sent an e-mail to university staff saying he did not expect the university to participate in the furlough program.

“I was disappointed by the outright refusal of these officials to be part of a solution to this problem,” Carcieri wrote. “Rhode Island’s budget crisis is a statewide problem requiring statewide cooperation. All parts of state government must work together to resolve this problem.”

Carcieri did thank the House and Senate leadership, General Treasurer Frank T. Caprio and Secretary of State A. Ralph Mollis “for signaling their willingness to work with this administration to devise cooperative solutions.”

“Unfortunately, the refusal of major sections of state government to participate in the proposed furlough days has rendered the plan significantly less workable than originally contemplated,” the Republican governor wrote. “As a result, I have determined that we must now look at other options.”

The furlough plan was first announced in January as part of the governor’s budget plan to deal with a projected \$105-million deficit in the current fiscal year and \$254 million in the year starting July 1.

But it was not until Friday that Carcieri made it official, signing an executive order closing all of state government, except for “essential” services for four days between now and the end of the fiscal year on June 30. The first furlough day was going to be March 30. The governor had also planned three shutdown days in the next fiscal year. It appeared last night that those furlough days were also scrapped.

State employee unions had opposed Carcieri’s plan from the start and threatened either filing of grievances, unfair labor practice allegations or heading to court.

During the state’s banking crisis, in 1991, former Democratic Gov. Bruce G. Sundlun issued an executive order closing state government for 10 days and ordering that most state workers not be paid for those days.

The unions went to court to block the shutdown days but the Superior and Supreme courts sided with Sundlun. The courts did not rule on the legality of such shutdown days, saying that was a decision left up to the arbitration process. The courts refused to stop the governor, saying if his actions were later found to be improper, workers could be compensated.

Ultimately, government only closed for three days — two unpaid — after the unions and Sundlun reached an agreement over a pay deferral plan.

In yesterday’s letter, Carcieri said he plans to ask the General Assembly to approve a pay reduction for all state employees “affecting all branches, departments and agencies of state government.” He said his administration is “still formulating the exact details of this new plan.”

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The governor said a pay cut carries a number of advantages. He said it "applies fairly to each and every state employee, without exception." He also called it "a progressive approach."

"The more an employee makes, the more that employee will lose," Carcieri wrote.

"Employees at the bottom of the income scale lost the least."

Carcieri closed his letter to lawmakers saying: "In such times, it is important for public officials to demonstrate an ability to make difficult decisions. I appreciate your recognition of the gravity of the state's budget situation, and your readiness to consider all possible options for resolving it."

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